

to comply with the Act, these regulations, or any terms, conditions, or restrictions in the license. These adverse actions are:

(a) License sanctions, including modification, suspension, and termination of any licensee;

(b) Civil penalties not to exceed \$10,000 for each day of operation in violation of a license, regulation, or the Act; and

(c) Seizure of any object, record, or report if there is probable cause to believe that such object, record, or report is being or is likely to be used to commit a violation.

This subpart establishes uniform rules and procedures for these adverse actions.

§ 960.14 License sanctions.

(a) If the Administrator determines, on the basis of available information, that the licensee is not in compliance with any applicable provision of the Act, any regulation, or any license condition or restriction, the Administrator may issue the licensee a Notice of License Sanction (NOLS) proposing to:

- (1) Terminate the license;
- (2) Suspend the license for a specified period of time or until certain stated requirements are met, or both; or
- (3) Modify the license, to aid future enforcement efforts.

(b) The NOLS will contain;

- (1) A concise statement of the facts believed to show a violation;
- (2) A specific reference to the provisions of the Act, regulation, or license allegedly violated;
- (3) The nature and duration of the proposed sanction; and
- (4) The effective date of the sanction, which is 30 days after the date of the NOLS unless the Administrator requires immediate termination of some or all licensed activities under paragraph (e) of this section or unless the licensee requests a hearing under paragraph (d) of this section.

(c) The NOLS also may propose to assess a civil penalty in accordance with § 960.15.

(d) Within 30 days after receipt of the NOLS, the licensee may request a hearing by serving a written request on the Administrator either in person or by

certified or registered mail, return receipt requested, at the address specified in the NOLS. Such hearing shall be held in accordance with the procedures set forth at 15 CFR part 904, subpart C.

(e) If the Administrator determines that the licensee has substantially failed to comply with any provision of the Act, these regulations, or with any term, condition, or restriction of the license, the NOLS will include a finding to this effect and may require immediate termination of some or all licensed operations. For purposes of this section, *substantially fails to comply* means:

(1) Any failure to comply with a material term or condition of a license or of the Act or these regulations, which the Administrator has reasonable basis to believe is willful or intentional;

(2) Any failure to comply after notice by the Administrator;

(3) Any failure to comply with a material term or condition of a license which the Secretary of Defense determines clearly poses a threat to the national security or which the Secretary of State determines clearly poses a threat to international obligations of the United States.

(f) Any request for a hearing under paragraph (d) of this section will not delay immediate termination under this paragraph and the licensee is entitled to treat the finding as final agency action for purposes of judicial review.

§ 960.15 Civil penalties.

Section 403(a)(3) of the Act authorizes the Administrator to assess civil penalties of up to \$10,000 for any violation of any requirement of the Act, these regulations or any term or condition of a license. Each day of operation in violation constitutes a separate violation. Such penalties will be assessed in accordance with the procedures set forth at 15 CFR part 904, subpart B.

§ 960.16 Seizure.

(a) If the Administrator determines that there is probable cause to believe that any object, record, or report was used, is being used or is likely to be used in violation of the Act, these regulations or the requirements of any license, the Administrator may seize any